

SECOND REGULAR SESSION  
[ P E R F E C T E D ]  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 892**  
93RD GENERAL ASSEMBLY

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INTRODUCED BY SENATOR SCOTT.

Offered April 4, 2006.

Senate Substitute adopted, April 4, 2006.

Taken up for Perfection April 4, 2006. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

4317S.04P

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**AN ACT**

To repeal sections 143.471, 301.215, 306.435, 361.711, 361.715, 362.275, 362.445, 408.555, and 700.385, RSMo, and to enact in lieu thereof twelve new sections relating to financial institutions.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 143.471, 301.215, 306.435, 361.711, 361.715, 362.275, 2 362.445, 408.555, and 700.385, RSMo, are repealed and twelve new sections 3 enacted in lieu thereof, to be known as sections 143.471, 148.655, 148.657, 4 301.215, 306.435, 361.711, 361.715, 362.078, 362.275, 362.445, 408.555, and 5 700.385, to read as follows:

143.471. 1. An S corporation, as defined by Section 1361 (a)(1) of the 2 Internal Revenue Code, shall not be subject to the taxes imposed by section 3 143.071, or other sections imposing income tax on corporations.

4 2. A shareholder of an S corporation shall determine such shareholder's 5 S corporation modification and pro rata share, including its character, by 6 applying the following:

7 (1) Any modification described in sections 143.121 and 143.141 which 8 relates to an item of S corporation income, gain, loss, or deduction shall be made 9 in accordance with the shareholder's pro rata share, for federal income tax 10 purposes, of the item to which the modification relates. Where a shareholder's

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

11 pro rata share of any such item is not required to be taken into account  
12 separately for federal income tax purposes, the shareholder's pro rata share of  
13 such item shall be determined in accordance with his pro rata share, for federal  
14 income tax purposes, of S corporation taxable income or loss generally;

15 (2) Each item of S corporation income, gain, loss, or deduction shall have  
16 the same character for a shareholder pursuant to sections 143.005 to 143.998 as  
17 it has for federal income tax purposes. Where an item is not characterized for  
18 federal income tax purposes, it shall have the same character for a shareholder  
19 as if realized directly from the source from which realized by the S corporation  
20 or incurred in the same manner as incurred by the S corporation.

21 3. A nonresident shareholder of an S corporation shall determine such  
22 shareholder's Missouri nonresident adjusted gross income and his or her  
23 nonresident shareholder modification by applying the provisions of this  
24 subsection. Items shall be determined to be from sources within this state  
25 pursuant to regulations of the director of revenue in a manner consistent with the  
26 division of income provisions of section 143.451, section 143.461, or section  
27 32.200, RSMo (Multistate Tax Compact). In determining the adjusted gross  
28 income of a nonresident shareholder of any S corporation, there shall be included  
29 only that part derived from or connected with sources in this state of the  
30 shareholder's pro rata share of items of S corporation income, gain, loss or  
31 deduction entering into shareholder's federal adjusted gross income, as such part  
32 is determined pursuant to regulations prescribed by the director of revenue in  
33 accordance with the general rules in section 143.181. Any modification described  
34 in subsections 2 and 3 of section 143.121 and in section 143.141, which relates to  
35 an item of S corporation income, gain, loss, or deduction shall be made in  
36 accordance with the shareholder's pro rata share, for federal income tax purposes,  
37 of the item to which the modification relates, but limited to the portion of such  
38 item derived from or connected with sources in this state.

39 4. The director of revenue shall permit S corporations to file composite  
40 returns and to make composite payments of tax on behalf of its nonresident  
41 shareholders not otherwise required to file a return. If the nonresident  
42 shareholder's filing requirements result solely from one or more interests in any  
43 other partnerships or subchapter S corporations, that nonresident shareholder  
44 may be included in the composite return.

45 5. If an S corporation pays or credits amounts to any of its nonresident  
46 individual shareholders as dividends or as their share of the S corporation's

47 undistributed taxable income for the taxable year, the S corporation shall either  
48 timely file with the department of revenue an agreement as provided in  
49 subsection 6 of this section or withhold Missouri income tax as provided in  
50 subsection 7 of this section. An S corporation that timely files an agreement as  
51 provided in subsection 6 of this section with respect to a nonresident shareholder  
52 for a taxable year shall be considered to have timely filed such an agreement for  
53 each subsequent taxable year. An S corporation that does not timely file such an  
54 agreement for a taxable year shall not be precluded from timely filing such an  
55 agreement for subsequent taxable years. An S corporation is not required to  
56 deduct and withhold Missouri income tax for a nonresident shareholder if:

57 (1) The nonresident shareholder not otherwise required to file a return  
58 agrees to have the Missouri income tax due paid as part of the S corporation's  
59 composite return;

60 (2) The nonresident shareholder not otherwise required to file a return  
61 had Missouri assignable federal adjusted gross income from the S corporation of  
62 less than twelve hundred dollars;

63 (3) The S corporation is liquidated or terminated;

64 (4) Income was generated by a transaction related to termination or  
65 liquidation; or

66 (5) No cash or other property was distributed in the current and prior  
67 taxable year.

68 6. The agreement referred to in subdivision (1) of subsection 5 of this  
69 section is an agreement of a nonresident shareholder of the S corporation to:

70 (1) File a return in accordance with the provisions of section 143.481 and  
71 to make timely payment of all taxes imposed on the shareholder by this state  
72 with respect to income of the S corporation; and

73 (2) Be subject to personal jurisdiction in this state for purposes of the  
74 collection of income taxes, together with related interest and penalties, imposed  
75 on the shareholder by this state with respect to the income of the S corporation.  
76 The agreement will be considered timely filed for a taxable year, and for all  
77 subsequent taxable years, if it is filed at or before the time the annual return for  
78 such taxable year is required to be filed pursuant to section 143.511.

79 7. The amount of Missouri income tax to be withheld is determined by  
80 multiplying the amount of dividends or undistributed income allocable to  
81 Missouri that is paid or credited to a nonresident shareholder during the taxable  
82 year by the highest rate used to determine a Missouri income tax liability for an

83 individual, except that the amount of the tax withheld may be determined based  
84 on withholding tables provided by the director of revenue if the shareholder  
85 submits a Missouri withholding allowance certificate.

86           8. An S corporation shall be entitled to recover for a shareholder on whose  
87 behalf a tax payment was made pursuant to this section, if such shareholder has  
88 no tax liability.

89           9. With respect to S corporations that are banks or bank holding  
90 companies, a pro rata share of the tax credit for the tax payable pursuant to  
91 chapter 148, RSMo, shall be allowed against each S corporation shareholders'  
92 state income tax as follows, provided the bank otherwise complies with section  
93 148.112:

94           (1) The credit allowed by this subsection shall be equal to the bank tax  
95 calculated pursuant to chapter 148, RSMo, based on bank income in 1999 and  
96 after, on a bank that makes an election pursuant to 26 U.S.C. Section 1362, and  
97 such credit shall be allocated to the qualifying shareholder according to stock  
98 ownership, determined by multiplying a fraction, where the numerator is the  
99 shareholder's stock, and the denominator is the total stock issued by such bank  
100 or bank holding company;

101           (2) The tax credit authorized in this subsection shall be permitted only to  
102 the shareholders that qualify as S corporation shareholders, provided the stock  
103 at all times during the taxable period qualifies as S corporation stock as defined  
104 in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the  
105 taxable period. The credit created by this section on a yearly basis is available  
106 to each qualifying shareholder, including shareholders filing joint returns. A  
107 bank holding company is not allowed this credit, except that, such credit shall  
108 flow through to such bank holding company's qualified shareholders, and be  
109 allocated to such shareholders under the same conditions; and

110           (3) In the event such shareholder cannot use all or part of the tax credit  
111 in the taxable period of receipt, such shareholder may carry forward such tax  
112 credit for a period of the lesser of five years or until used, provided such credits  
113 are used as soon as the taxpayer has Missouri taxable income.

114           **10. With respect to S corporations that are associations, a pro**  
115 **rata share of the tax credit for the tax payable under chapter 148,**  
116 **RSMo, shall be allowed against each S corporation shareholders' state**  
117 **income tax as follows, provided the association otherwise complies with**  
118 **section 148.655, RSMo:**

119           (1) The credit allowed by this subsection shall be equal to the  
120 savings and loan association tax calculated under chapter 148, RSMo,  
121 based on the computations provided in section 148.630, RSMo, on an  
122 association that makes an election under 26 U.S.C. Section 1362, and  
123 such credit shall be allocated to the qualifying shareholder according  
124 to stock ownership, determined by multiplying a fraction, where the  
125 numerator is the shareholder's stock, and the denominator is the total  
126 stock issued by the association;

127           (2) The tax credit authorized in this subsection shall be  
128 permitted only to the shareholders that qualify as S corporation  
129 shareholders, provided the stock at all times during the taxable period  
130 qualifies as S corporation stock as defined in 26 U.S.C. Section 1361,  
131 and such stock is held by the shareholder during the taxable  
132 period. The credit created by this section on a yearly basis is available  
133 to each qualifying shareholder, including shareholders filing joint  
134 returns. A savings and loan association holding company is not allowed  
135 this credit, except that, such credit shall flow through to such savings  
136 and loan association holding company's qualified shareholders, and be  
137 allocated to such shareholders under the same conditions; and

138           (3) In the event such shareholder cannot use all or part of the  
139 tax credit in the taxable period of receipt, such shareholder may carry  
140 forward such tax credit for a period of the lesser of five years or until  
141 used, provided such credits are used as soon as the taxpayer has  
142 Missouri taxable income.

143           11. With respect to S corporations that are credit institutions, a  
144 pro rata share of the tax credit for the tax payable under chapter 148,  
145 RSMo, shall be allowed against each S corporation shareholders' state  
146 income tax as follows, provided the credit institution otherwise  
147 complies with section 148.657, RSMo:

148           (1) The credit allowed by this subsection shall be equal to the  
149 credit institution tax calculated under chapter 148, RSMo, based on the  
150 computations provided in section 148.150, RSMo, on a credit institution  
151 that makes an election under 26 U.S.C. Section 1362, and such credit  
152 shall be allocated to the qualifying shareholder according to stock  
153 ownership, determined by multiplying a fraction, where the numerator  
154 is the shareholder's stock, and the denominator is the total stock issued  
155 by such credit institution;

156           **(2) The tax credit authorized in this subsection shall be**  
157 **permitted only to the shareholders that qualify as S corporation**  
158 **shareholders, provided the stock at all times during the taxable period**  
159 **qualifies as S corporation stock as defined in 26 U.S.C. Section 1361,**  
160 **and such stock is held by the shareholder during the taxable**  
161 **period. The credit created by this section on a yearly basis is available**  
162 **to each qualifying shareholder, including shareholders filing joint**  
163 **returns. A credit institution holding company is not allowed this**  
164 **credit, except that, such credit shall flow through to such credit**  
165 **institution holding company's qualified shareholders, and be allocated**  
166 **to such shareholders under the same conditions; and**

167           **(3) In the event such shareholder cannot use all or part of the**  
168 **tax credit in the taxable period of receipt, such shareholder may carry**  
169 **forward such tax credit for a period of the lesser of five years or until**  
170 **used, provided such credits are used as soon as the taxpayer has**  
171 **Missouri taxable income.**

**148.655. Subchapter S corporation shareholders of an association**  
2 **required to pay franchise taxes under section 148.620, may take a tax**  
3 **credit against such shareholder's state income tax return, as provided**  
4 **in section 143.471, RSMo. Such tax credit shall be the taxpayer's pro**  
5 **rata share of the franchise tax paid by the association as provided in**  
6 **this chapter.**

**148.657. Subchapter S corporation shareholders of a credit**  
2 **institution required to pay franchise taxes under section 148.140, may**  
3 **take a tax credit against such shareholder's state income tax return, as**  
4 **provided in section 143.471, RSMo. Such tax credit shall be the**  
5 **taxpayer's pro rata share of the franchise tax paid by the credit**  
6 **institution as provided in this chapter.**

**301.215. 1. When the holder of any indebtedness secured by a security**  
2 **agreement or other contract for security covering a motor vehicle or trailer, who**  
3 **has a notice of lien on file with the director of revenue, repossesses the**  
4 **motor vehicle or trailer either by legal process or in accordance with the terms**  
5 **of a contract authorizing the repossession of the vehicle without legal process, the**  
6 **holder may obtain a certificate of ownership from the director of revenue upon**  
7 **presentation of:**

8           **(1) An application [which shall be upon a blank] form furnished by the**  
9 **director of revenue [and] that shall contain a full description of the motor vehicle**

10 or trailer and the manufacturer's or other identifying number;

11 **(2) A notice of lien receipt or the original certificate of**  
12 **ownership reflecting the holder's lien; and**

13 **(3)** An affidavit of the holder, certified under penalties of perjury for  
14 making a false statement to a public official, that the debtor defaulted in payment  
15 of the debt, and that the holder repossessed the motor vehicle or trailer either by  
16 legal process or in accordance with the terms of the contract, and the specific  
17 address where the vehicle or trailer is held. Such affidavit shall also state that  
18 the lienholder has the written consent from all owners or lienholders of record to  
19 repossess the vehicle or has provided all the owners or lienholders with written  
20 notice of the repossession.

21 **2. On a motor vehicle or trailer,** the lienholder shall first give:

22 **(1)** Ten days' written notice by first class United States mail postage  
23 prepaid to each of the owners and other lienholders, if any, of the motor vehicle  
24 or trailer at each of their last mailing addresses as shown by the last prior  
25 certificate of ownership, if any issued [on the motor vehicle or trailer], **or the**  
26 **most recent address on the lienholder's records,** that an application for a  
27 repossessed title will be made; **or**

28 **(2) The lienholder may, ten days prior to applying for a**  
29 **repossession title, include the information in the above notice in the**  
30 **appropriate uniform commercial code notice under sections 400.9-613**  
31 **or 400.9-614, RSMo. Such alternative notice to all owners and**  
32 **lienholders shall be valid and enforceable under both the uniform**  
33 **commercial code and this section, provided it otherwise complies with**  
34 **the provisions of the uniform commercial code.**

35 [2.] **3.** Upon the holder's presentation of the papers **required by**  
36 **subsection 1 of this section** and the payment of a fee of ten dollars, the  
37 director of revenue, if he is satisfied with the genuineness of the papers, shall  
38 issue and deliver to the holder a certificate of ownership which shall be in its  
39 usual form except it shall be clearly captioned "Repossession Title". Each  
40 repossessed title so issued shall, for all purposes, be treated as an original  
41 certificate of ownership and shall supersede the outstanding certificate of  
42 ownership, if any, and duplicates thereof, if any, on the motor vehicle or trailer,  
43 all of which shall become null and void.

44 [3.] **4.** In any case where there is no certificate of ownership or duplicate  
45 thereof outstanding in the name of the debtor on the repossessed motor vehicle

46 or trailer, the director of revenue shall issue a repossessed title to the holder and  
47 shall proceed to collect all unpaid fees, taxes, charges and penalties from the  
48 debtor as provided in section 301.190.

49 [4.] 5. The director of revenue may prescribe rules and regulations for  
50 the effective administration of this section. Any rule or portion of a rule, as that  
51 term is defined in section 536.010, RSMo, that is created under the authority  
52 delegated in this section shall become effective only if it complies with and is  
53 subject to all of the provisions of chapter 536, RSMo, and, if applicable, section  
54 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any  
55 of the powers vested with the general assembly pursuant to chapter 536, RSMo,  
56 to review, to delay the effective date, or to disapprove and annul a rule are  
57 subsequently held unconstitutional, then the grant of rulemaking authority and  
58 any rule proposed or adopted after August 28, 2005, shall be invalid and void.

306.435. 1. When the holder of any indebtedness secured by a security  
2 agreement or other contract for security covering an outboard motor, motorboat,  
3 vessel, or watercraft **who has a notice of lien on file with the director of**  
4 **revenue** repossesses the outboard motor, motorboat, vessel, or watercraft either  
5 by legal process or in accordance with the terms of a contract authorizing the  
6 repossession of the outboard motor, motorboat, vessel, or watercraft without legal  
7 process, the holder may obtain a certificate of [title] **ownership** from the director  
8 of revenue upon presentation of:

9 (1) An application[, which shall be upon a blank] form furnished by the  
10 director of revenue [and] **which** shall contain [the] **a** full description of the  
11 outboard motor, motorboat, vessel, or watercraft and the manufacturer's or other  
12 identifying number;

13 (2) **A notice of lien receipt or the original certificate of**  
14 **ownership reflecting the holder's lien; and**

15 (3) An affidavit of the holder, **certified under penalties of perjury**  
16 **for making a false statement to a public official**, that the debtor defaulted  
17 in payment of the debt, and that the holder repossessed the outboard motor,  
18 motorboat, vessel, or watercraft either by legal process or in accordance with the  
19 terms of the contract, and the specific address where the outboard motor,  
20 motorboat, vessel, or watercraft is held[; and

21 (3) The original, or a conformed or photostatic copy of the original, of the  
22 security agreement or other contract for security and the instrument evidencing  
23 the indebtedness secured by the security agreement or other contract for

24 security. The director may, by regulation, prescribe for the inclusion in either or  
25 both the application or affidavit required by this subsection any other information  
26 that he, from time to time, deems necessary or advisable, and may prescribe that  
27 the affidavit required by this subsection be part of the application.] **Such**  
28 **affidavit shall also state that the lienholder has the written consent**  
29 **from all owners or lienholders of record to repossess the outboard**  
30 **motor, motorboat, vessel, or watercraft or has provided all the owners**  
31 **or lienholders with written notice of the repossession.**

32           2. **On an outboard motor, motorboat, vessel, or watercraft, the**  
33 **lienholder shall first give:**

34           (1) **Ten days' written notice by first class United States mail,**  
35 **postage prepaid, to each of the owners and other lienholders, if any, of**  
36 **the outboard motor, motorboat, vessel, or watercraft at each of their**  
37 **last mailing addresses as shown by the last prior certificate of**  
38 **ownership, if any issued, or the most recent address on the lienholder's**  
39 **records, that an application for a repossessed title will be made; or**

40           (2) **The lienholder may, ten days prior to applying for a**  
41 **repossession title, include the information in the above notice in the**  
42 **appropriate uniform commercial code notice under sections 400.9-613**  
43 **or 400.9-614, RSMo. Such alternative notice to all owners and**  
44 **lienholders shall be valid and enforceable under both the uniform**  
45 **commercial code and this section, provided it otherwise complies with**  
46 **the provisions of the uniform commercial code.**

47           3. Upon the holder's presentation of the papers required by subsection 1  
48 of this section and the payment of a fee of ten dollars, the director of revenue, if  
49 he is satisfied with the genuineness of the papers, shall issue and deliver to the  
50 holder a certificate of title which shall be in its usual form except it shall be  
51 clearly captioned "Repossessed Title"[; except that, unless the application is  
52 accompanied by the written consent, acknowledged before an officer authorized  
53 to take acknowledgments, of the owners and other lienholders, if any, of the  
54 outboard motor, motorboat, vessel, or watercraft as shown by the last prior  
55 certificate of title or ownership, if any, issued on the outboard motor, motorboat,  
56 vessel, or watercraft, for the issuance of a repossessed title to the applicant, no  
57 such repossessed title may be issued by the director of revenue unless the director  
58 shall first give ten days' written notice by first class United States mail postage  
59 prepared to each of the owners and other lienholders, if any, of the outboard

60 motor, motorboat, vessel, or watercraft at each of their last mailing addresses as  
61 shown by the last prior certificate of title or ownership, if any, issued on the  
62 outboard motor, motorboat, vessel, or watercraft, that an application for a  
63 repossessed title has been made and the date the repossessed title will be issued,  
64 which notice shall be accompanied by a copy, photostatic or otherwise, of the  
65 application and affidavit. The application for repossessed title may be withdrawn  
66 by the applicant at any time before the granting thereof]. Each repossessed title  
67 so issued shall, for all purposes, be treated as an original certificate of [title]  
68 **ownership** and shall supersede the outstanding certificate of [title or]  
69 ownership, if any, and duplicates thereof, if any, on the outboard motor,  
70 motorboat, vessel, or watercraft, all of which shall become null and void.

71 [3.] 4. In any case where there is no certificate of [title or] ownership, or  
72 duplicate thereof, outstanding in the name of the debtor on the repossessed  
73 outboard motor, motorboat, vessel, or watercraft, the director of revenue shall  
74 issue a repossessed title to the holder [upon the payment of] **and shall proceed**  
75 **to collect** all unpaid fees, taxes, charges and penalties from the debtor as  
76 provided in sections 306.015, 306.030, 306.530 and 306.535, in addition to the fee  
77 specified in subsection 2 of this section.

78 5. **The director of revenue may prescribe rules and regulations**  
79 **for the effective administration of this section. Any rule or portion of**  
80 **a rule, as that term is defined in section 536.010, RSMo, that is created**  
81 **under the authority delegated in this section shall become effective**  
82 **only if it complies with and is subject to all of the provisions of chapter**  
83 **536, RSMo, and, if applicable, section 536.028, RSMo. This section and**  
84 **chapter 536, RSMo, are nonseverable and if any of the powers vested**  
85 **with the general assembly pursuant to chapter 536, RSMo, to review, to**  
86 **delay the effective date, or to disapprove and annul a rule are**  
87 **subsequently held unconstitutional, then the grant of rulemaking**  
88 **authority and any rule proposed or adopted after August 28, 2006, shall**  
89 **be invalid and void.**

361.711. Each application for a license shall be accompanied by a  
2 corporate surety bond in the principal sum of [twenty-five] **one hundred**  
3 thousand dollars. The bond shall be in form satisfactory to the director and shall  
4 be issued by a bonding company or insurance company authorized to do business  
5 in this state, to secure the faithful performance of the obligations of the applicant  
6 and the agents and subagents of the applicant with respect to the receipt,

7 transmission, and payment of money in connection with the sale or issuance of  
8 checks **and also to pay the costs incurred by the division to remedy any**  
9 **breach of the obligations of the applicant subject to the bond or to pay**  
10 **examination costs of the division owed and not paid by the**  
11 **applicant. Upon license renewal, the required amount of bond shall be**  
12 **as follows:**

13 (1) **For all licensees selling payment instruments or stored value**  
14 **cards, five times the high outstanding balance from the previous year**  
15 **with a minimum of one hundred thousand dollars and a maximum of**  
16 **one million dollars;**

17 (2) **For all licensees receiving money for transmission, five times**  
18 **the greatest amount transmitted in a single day during the previous**  
19 **year with a minimum of one hundred thousand dollars and a maximum**  
20 **of one million dollars.**

21 If in the opinion of the director the bond shall at any time appear to be  
22 inadequate, insecure, exhausted, or otherwise doubtful, additional bond in form  
23 and with surety satisfactory to the director shall be filed within fifteen days after  
24 notice of the requirement is given to the licensee by the director. An applicant  
25 or licensee may, in lieu of filing any bond required under this section, provide the  
26 director with an irrevocable letter of credit, as defined in section 400.5-103,  
27 RSMo, issued by any state or federal financial institution. **Whenever in the**  
28 **director's judgment it is necessary or expedient, the director may**  
29 **perform a special examination of any person licensed under sections**  
30 **361.700 to 361.727 with all authority under section 361.160 as though the**  
31 **licensee were a bank. The cost of such examination shall be paid by the**  
32 **licensee.**

361.715. 1. Upon the filing of the application, the filing of a certified  
2 audit, the [payments] **payment** of the investigation fee and the approval by the  
3 director of the necessary bond, the director **shall cause, investigate, and**  
4 **determine whether the character, responsibility, and general fitness of**  
5 **the principals of the applicant or any affiliates are such as to command**  
6 **confidence and warrant belief that the business of the applicant will be**  
7 **conducted honestly and efficiently and that the applicant is in**  
8 **compliance with all other applicable state and federal laws. If**  
9 **satisfied, the director** shall issue to the applicant a license pursuant to the  
10 provisions of sections 361.700 to 361.727. **In processing a renewal license,**

11 **the director shall require the same information and follow the same**  
12 **procedures described in this subsection.**

13       2. Each licensee shall pay to the director [within five days after] **before**  
14 the issuance of the license, and annually thereafter on or before April fifteenth  
15 of each year, a license fee of one hundred dollars.

16       3. **The director may assess a reasonable charge, not to exceed**  
17 **one hundred dollars, for any application to amend and reissue an**  
18 **existing license.**

**362.078. Notwithstanding any other provision of law to the**  
2 **contrary, an industrial loan company or industrial bank is prohibited**  
3 **from establishing or maintaining any physical location, including one**  
4 **or more branches for the purpose of conducting any banking business**  
5 **within this state, whether by de novo charter, branching, or merger**  
6 **with another institution, and such companies are hereby prohibited in**  
7 **this state. As used in this section, the terms "industrial loan company"**  
8 **and "industrial bank" include any company chartered under the laws of**  
9 **any state that:**

10       **(1) Is insured or regulated by the Federal Deposit Insurance**  
11 **Corporation;**

12       **(2) Engages in one or more banking activities; and**

13       **(3) Is owned, directly or indirectly, by a commercial entity that**  
14 **is not a bank holding company or a financial holding company subject**  
15 **to regulation under the Federal Bank Holding Company Act of 1956.**

**362.275. 1. The board of directors of every bank and trust company**  
2 **organized or doing business pursuant to this chapter shall hold a regular meeting**  
3 **at least once each month, or, upon application to and acceptance by the director**  
4 **of finance, at such other times, not less frequently than once each calendar**  
5 **quarter as the director of finance shall approve, which approval may be rescinded**  
6 **at any time. There shall be submitted to the meeting a list giving the aggregate**  
7 **of loans, discounts, acceptances and advances, including overdrafts, to each**  
8 **individual, partnership, corporation or person whose liability to the bank or trust**  
9 **company has been created, extended, renewed or increased since the cut-off date**  
10 **prior to the regular meeting by more than an amount to be determined by the**  
11 **board of directors, which minimum amount shall not exceed five percent of the**  
12 **bank's legal loan limit, except the minimum amount shall in no case be less than**  
13 **ten thousand dollars[, and]; a second list of the aggregate indebtedness of each**

14 borrower whose aggregate indebtedness exceeds five times such minimum  
15 amount, except the aggregate indebtedness shall in no case be less than fifty  
16 thousand dollars; [and] a third list showing all paper past due thirty days or  
17 more **or alternatively, the third list shall report the total past due ratio**  
18 **for loans thirty days or more past due, nonaccrual loans divided by**  
19 **total loans, and a listing of past due loans in excess of the minimum**  
20 **amount to be determined by the board of directors, which minimum**  
21 **amount shall not exceed five percent of the bank's legal loan limit,**  
22 **except the minimum amount shall in no case be less than ten thousand**  
23 **dollars;** and a fourth list showing the aggregate of the then existing  
24 indebtedness and liability to the bank or trust company of each of the directors,  
25 officers, and employees thereof. The information called for in the second, third,  
26 and fourth lists shall be submitted as of the date of the regular meeting or as of  
27 a reasonable date prior thereto. [If there is collateral to the indebtedness, it shall  
28 be described as of the date of the lists.] No bills payable shall be made, and no  
29 bills shall be rediscounted by the bank or trust company except with the consent  
30 or ratification of the board of directors; provided, however, that if the bank or  
31 trust company is a member of the federal reserve system, rediscounts may be  
32 made to it by the officers in accordance with its rules, a list of all rediscounts to  
33 be submitted to the next regular meeting of the board. The director of finance  
34 may require, by order, that the board of directors of a bank or trust company  
35 approve or disapprove every purchase or sale of securities and every discount,  
36 loan, acceptance, renewal or other advance including every overdraft over an  
37 amount to be specified in the director's order and may also require that the board  
38 of directors review, at each monthly meeting, a list of the aggregate indebtedness  
39 of each borrower whose aggregate indebtedness exceeds an amount to be specified  
40 in the director's order. The minutes of the meeting shall indicate the compliance  
41 with the requirements of this section. Furthermore, the debtor's identity on the  
42 information required in this subsection may be masked by code to conceal the  
43 actual debtor's identity only for information mailed to or otherwise provided  
44 directors who are not physically present at the board meeting. The code used  
45 shall be revealed to all directors at the beginning of each board meeting for which  
46 this procedure is used.

47         2. For any issue in need of immediate action, the board of directors or the  
48 executive committee of the board as defined in section 362.253 may enter into a  
49 unanimous consent agreement as permitted by subsection 2 of section 351.340,

50 RSMo. Such consent may be communicated by facsimile transmission or by other  
51 authenticated record, separately by each director, provided each consent is signed  
52 by the director and the bank has no indication such signature is not the director's  
53 valid consent. When the bank or trust company has received unanimous consent  
54 from the board or executive committee, the action voted on shall be considered  
55 approved.

362.445. 1. **The term "process", when used in this section, shall  
2 include any writ, summons, petition, or order whereby any suit, action,  
3 or proceeding shall be commenced.**

4 **2. Any state or federally chartered bank, trust company, or thrift  
5 institution may be served with process according to the Missouri Rules  
6 of Civil Procedure describing service of process for corporations.**

7 **3. Any state or federally chartered bank, trust company, or thrift  
8 institution may appoint a Missouri service agent and register the  
9 appointment with the director of finance who will maintain a record of  
10 all such appointments for public reference.**

11 **4. Whenever pursuant to [any provision] express provisions** of this  
12 chapter, the director shall have been duly appointed attorney to receive service  
13 of process for any foreign corporation **or out-of-state bank or trust company,**  
14 he **or she** shall forthwith forward by mail, postage prepaid, a copy of every  
15 process served upon him **or her** directed to the president or secretary of such  
16 corporation, at its last known post-office address.

17 **[2.] 5. For each copy of process the director of revenue shall collect the  
18 sum of [two] ten dollars, which shall be paid by the plaintiff or moving party at  
19 the time of such service, to be recovered by [him] the plaintiff as part of [his]  
20 the plaintiff's taxable disbursement if he or she succeeds in his or her suit or  
21 proceeding.**

22 **[3. The term "process", when used in this section, shall include any writ,  
23 summons, petition or order whereby any suit, action or proceeding shall be  
24 commenced.]**

408.555. 1. Except as provided in subsection 2 of this section, after a  
2 default consisting only of the borrower's failure to make a required payment, a  
3 lender, because of that default, may neither accelerate maturity of the unpaid  
4 balance nor take possession of or otherwise enforce a security interest until  
5 twenty days after a notice of the borrower's right to cure is given both to the  
6 borrower and to all cosigners on the credit transaction nor, with respect to an

7 insurance premium loan, give notice of cancellation until thirteen days after a  
8 notice of the borrower's right to cure is given; notice shall not be given prior to  
9 default. Until expiration of the minimum applicable period after the notice is  
10 given, the borrower or cosigner may cure all defaults consisting of a failure to  
11 make the required payment by tendering the amount of all unpaid sums due at  
12 the time of the tender, without acceleration, plus any unpaid delinquency or  
13 deferral charges. Cure restores the borrower to his rights as though the default  
14 had not occurred.

15         2. This section does not prohibit a borrower from voluntarily surrendering  
16 possession of property which is collateral and the lender from thereafter  
17 accelerating maturity of the loan and enforcing the note or loan and his security  
18 interest in the property at any time after default. If the lender has not already  
19 given the notice described in subsection 2 or 3 of section 408.554, he shall upon  
20 voluntary surrender of the collateral notify the borrower either personally or by  
21 mail at the borrower's last known address that he may owe additional money  
22 after the money received from the sale of the collateral is deducted from the total  
23 amount owed.

24         3. No lender is bound by the provisions of subsection 1 of this section if  
25 default by the same borrower in connection with the same credit transaction with  
26 the same lender has occurred twice notwithstanding the cure of such defaults **or**  
27 **three times in the case of a second mortgage loan** except as provided in  
28 subsection 4 of this section.

29         4. Default by a borrower on a second mortgage loan may be cured by  
30 tendering the current obligation of the borrower at any time prior to the  
31 completion of the judicial or extrajudicial proceedings for foreclosure upon such  
32 real estate. For the purposes of this section, "current obligation of the debtor"  
33 means the aggregate of all installments scheduled to be due at the time of the  
34 tender, **late charges otherwise permitted by law, and expenses of**  
35 **foreclosures actually incurred by the lender for initiating a bona fide**  
36 **foreclosure**, notwithstanding any contractual provision for the acceleration of  
37 installment payments. A lender may take no steps to enforce a security interest  
38 in real property pursuant to a second mortgage loan until thirty days after notice  
39 of the borrower's right to cure is given; notice shall not be given prior to  
40 default. Cure restores the borrower's rights under the agreement as though the  
41 default had not occurred, [and any foreclosure in violation of this section is a  
42 class B misdemeanor] **except that only three defaults are permitted.** This

43 section shall not affect the debtor's right otherwise to redeem such real property  
44 under any other provision of law.

700.385. 1. When the holder of any indebtedness secured by a security  
2 agreement or other contract for security covering a manufactured home, **who has**  
3 **a notice of lien on file with the director of revenue**, repossesses the  
4 manufactured home either by legal process or in accordance with the terms of a  
5 contract authorizing the repossession of the manufactured home without legal  
6 process, the holder may obtain a certificate of [title] **ownership** from the director  
7 of revenue upon presentation of:

8 (1) An application[, which shall be upon a blank] form furnished by the  
9 director of revenue [and] **which** shall contain [the] **a** full description of the  
10 manufactured home and the manufacturer's or other identifying number;

11 (2) **A notice of lien receipt or the original certificate of**  
12 **ownership reflecting the holder's lien; and**

13 (3) An affidavit of the holder, **certified under penalties of perjury**  
14 **for making a false statement to a public official**, that the debtor defaulted  
15 in payment of the debt, and that the holder repossessed the manufactured home  
16 either by legal process or in accordance with the terms of the contract, and the  
17 specific address where the manufactured home is held[; and

18 (3) The original, or a conformed or photostatic copy of the original, of the  
19 security agreement or other contract for security and the instrument or  
20 instruments evidencing the indebtedness secured by the security agreement or  
21 other contract for security.

22 The director may, by regulation, prescribe for the inclusion in either or both the  
23 application or affidavit required by this subsection any other information that he,  
24 from time to time, deems necessary or advisable, and may prescribe that the  
25 affidavit required by this subsection be part of the application]. **Such affidavit**  
26 **shall also state that the lienholder has the written consent from all**  
27 **owners or lienholders of record to repossess the manufactured home or**  
28 **has provided all the owners or lienholders with written notice of the**  
29 **repossession.**

30 2. **On a manufactured home, the lienholder shall first give:**

31 (1) **Ten days' written notice by first class United States mail,**  
32 **postage prepaid, to each of the owners and other lienholders, if any, of**  
33 **the manufactured home at each of their last mailing addresses as**  
34 **shown by the last prior certificate of ownership, if any issued, or the**

35 **most recent address on the lienholder's records, that an application for**  
36 **a repossessed title will be made; or**

37 (2) **The lienholder may, ten days prior to applying for a**  
38 **repossession title, include the information in the above notice in the**  
39 **appropriate uniform commercial code notice under sections 400.9-613**  
40 **or 400.9-614, RSMo. Such alternative notice to all owners and**  
41 **lienholders shall be valid and enforceable under both the uniform**  
42 **commercial code and this section, provided it otherwise complies with**  
43 **the provisions of the uniform commercial code.**

44 3. Upon the holder's presentation of the papers required by subsection 1  
45 of this section and the payment of a fee of ten dollars, the director of revenue, if  
46 he is satisfied with the genuineness of the papers, shall issue and deliver to the  
47 holder a certificate of [title] **ownership** which shall be in its usual form except  
48 it shall be clearly captioned "Repossessed Title"[; except that, unless the  
49 application is accompanied by the written consent, acknowledged before an officer  
50 authorized to take acknowledgments, of the owners and other lienholders, if any,  
51 of the manufactured home as shown by the last prior certificate of title or  
52 ownership, if any, issued on the manufactured home for the issuance of a  
53 repossessed title to the applicant, no such repossessed title may be issued by the  
54 director of revenue unless the director shall first give ten days' written notice by  
55 first class United States mail postage prepaid to each of the owners and other  
56 lienholders, if any, of the manufactured home at each of their last mailing  
57 addresses as shown by the last prior certificate of title or ownership, if any,  
58 issued on the manufactured home that an application for a repossessed title has  
59 been made and the date the repossessed title will be issued, which notice shall  
60 be accompanied by a copy, photostatic or otherwise, of the application and  
61 affidavit. The application for repossessed title may be withdrawn by the  
62 applicant at any time before the granting thereof]. Each repossessed title so  
63 issued shall, for all purposes, be treated as an original certificate of [title]  
64 **ownership** and shall supersede the outstanding certificate of [title or]  
65 ownership, if any, and duplicates thereof, if any, on the manufactured home, all  
66 of which shall become null and void.

67 [3.] 4. In any case where there is no certificate of [title or] ownership, or  
68 duplicate thereof, outstanding in the name of the debtor on the repossessed  
69 manufactured home, the director of revenue shall issue a repossessed title to the  
70 holder [upon the payment of] **and shall proceed to collect** all unpaid fees,

71 taxes, charges and penalties owed by the debtor, in addition to the fee specified  
72 in subsection 2 of this section.

73           **5. The director of revenue may prescribe rules and regulations**  
74 **for the effective administration of this section. Any rule or portion of**  
75 **a rule, as that term is defined in section 536.010, RSMo, that is created**  
76 **under the authority delegated in this section shall become effective**  
77 **only if it complies with and is subject to all of the provisions of chapter**  
78 **536, RSMo, and, if applicable, section 536.028, RSMo. This section and**  
79 **chapter 536, RSMo, are nonseverable and if any of the powers vested**  
80 **with the general assembly pursuant to chapter 536, RSMo, to review, to**  
81 **delay the effective date, or to disapprove and annul a rule are**  
82 **subsequently held unconstitutional, then the grant of rulemaking**  
83 **authority and any rule proposed or adopted after August 28, 2006, shall**  
84 **be invalid and void.**

✓

Bill

Copy